

May 27, 2005

MEMORANDUM TO: Robert A. Nelson, Chief  
Uranium Recovery Section  
Fuel Cycle Facilities Branch, NMSS/FCSS

FROM: Andrew Persinko, Chief **/RA/**  
Special Projects Section  
Decommissioning Directorate, NMSS/DWMEP

SUBJECT: REVIEW OF HOMESTAKE MINING COMPANY 2005 UPDATE OF  
PARENT COMPANY GUARANTEE

By letter dated April 22, 2005, Homestake Mining Company submitted an update to the parent company guarantee (PCG) provided by Barrick Gold Corporation as financial assurance for its Grants, NM facility. The updated financial test was based on \$36,000,000 in decommissioning costs.

License Amendment No. 38, issued May 13, 2005, approved the licensee's decommissioning cost estimate in the amount of \$35,989,490. However, DWMEP staff did not review the estimate and offers no opinion regarding it.

The licensee chose to use Alternative I, taken from the "Technical Position on Financial Assurances for Reclamation, Decommissioning, and Long-Term Surveillance and Control of Uranium Recovery Facilities," as its demonstration of financial assurance. The PCG submitted by the licensee conforms to regulatory requirements and covers the amount of the cost estimate. It is acceptable.

Docket No.: 04008903  
License No.: SUA-1471

Contact: Thomas L. Fredrichs, NMSS/DCED/DWMEP  
(301) 415-5971

May 27, 2005

MEMORANDUM TO: Robert A. Nelson, Chief  
Uranium Recovery Section  
Fuel Cycle Facilities Branch, NMSS/FCSS

FROM: Andrew Persinko, Chief **/RA/**  
Special Projects Section  
Decommissioning Directorate, NMSS/DWMEP

SUBJECT: REVIEW OF HOMESTAKE MINING COMPANY 2005 UPDATE OF  
PARENT COMPANY GUARANTEE

By letter dated April 22, 2005, Homestake Mining Company submitted an update to the parent company guarantee (PCG) provided by Barrick Gold Corporation as financial assurance for its Grants, NM facility. The updated financial test was based on \$36,000,000 in decommissioning costs.

License Amendment No. 38, issued May 13, 2005, approved the licensee's decommissioning cost estimate in the amount of \$35,989,490. However, DWMEP staff did not review the estimate and offers no opinion regarding it.

The licensee chose to use Alternative I, taken from the "Technical Position on Financial Assurances for Reclamation, Decommissioning, and Long-Term Surveillance and Control of Uranium Recovery Facilities," as its demonstration of financial assurance. The PCG submitted by the licensee conforms to regulatory requirements and covers the amount of the cost estimate. It is acceptable.

Docket No.: 04008903  
License No.: SUA-1471

Contact: Thomas L. Fredrichs, NMSS/DCED/DWMEP  
(301) 415-5971

**Template No.: NMSS-010**

**Ticket No.: DECD-0046**

DISTRIBUTION: DECD r/f      DWMEP r/f      D.Gillen      B.vonTill

**ML051400373**      \*See previous concurrence

OFC	DECD		DECD	
NAME	T.Fredrichs*		A.Persinko*	
DATE	5/12/05		5/24/05	

**OFFICIAL RECORD COPY**